Durgapur Steel Plant: The tendering work of the modernisation is in progress and order placement has also begun. Upto 31.3.1988, an amount of Rs. 22 crores had already been spent on the modernisation of Durgapur Steel Plant. A provision of Rs. 160 crores has also been made in the budget estimates for 1988-89 for this scheme.

Rourkela Steel Plant: The proposal for modernisation of Rourkela Steel Plant is still under consideration of the Government. Upto 31.3.1988, an amount of around Rs. 3.6 crores had been spent on preliminary works. A provision of Rs. 30 crores has also been made in the budget estimates for 1988-89 for this scheme.

Indian Iron & Steel Company Limited (IISCO): The feasibility report submitted by Japan International Cooperation Agency (JICA) was examined by the Government and in January, 1988 it has been agreed 'in principle' that Burnpur Works of IISCO be modernised on the basis of the above report. Accordingly, SAIL have been sanctioned an expenditure of Rs. 30 crores for preparation of detailed project report and other preliminary works. Upto 31.3.1988, an amount of around Rs. 1.1 crores had been spent on this project. A provision of Rs. 10 crores has also been made in the Budget estimates for 1988-89 for this scheme. Preliminary talks with Japanese Government and Industry have been held in March, 1988 regarding technical and financial assistance in implementing this project. The negotiations are to continue.

Signing of MOU between Government and the SAIL

2173. SHRIMATI RATAN KUMARI: Will the Minister of STEEL AND MINES be pleased to state:

(a) whether Government have recently signed a Memorandum of Understanding (MOU) with the Steel Authority of India Limited; and

(b) if so, what are the details thereof?

THE MINISTER OF STEEL AND MINES (SHRI MAKHAN LAL FOTEDAR): (a) Yes, Sir.

(b) The MOU for 1988-89 includes, *inter-alia*, SAIL's long term objectives to achieve high levels of productivity, financial self-reliance and customer satisfaction. Certain delegation of powers to SAIL have been made such as the authority to sanction expenditure, approve incentive schemes and to raise resources, along with an obligation to achieve specified levels of production and techno-economic performance.

Demand and supply of steel on modernisation of steel plants

2174. SHRI SHANTI TYAGI: Will the Minister of STEEL AND MINES be pleased to refer to answer to Unstarred Question 391 given in the Rajya Sabha on the 26th February, 1988 and state what would be the demand and supply position of steel after eight years, on spending of amounts of about Rs. 10,000 crores on the modernisation and expansion of steel plants in the country?

THE MINISTER OF STEEL AND MINES (SHRI MAKHAN LAL FOTEDAR): The estimated demand of steel in the country will rise from the present day level of about 12.7 MT to over 20 MT by 1994-95, and availabiilty, after completion of modernisation of Durgapur, Rourkela, Burnpur and Bokaro Steel Plants and completion of 3 MT Visakhapatnam Steel Plant is expected to increase from present level of about 11.4 MT to around 19.7 MT. While there is likely to be a surplus in the availability of long products, there may be a gap between the demand and supply of flat products.